



Georgia Institute of Technology Audit Charter

Introduction

The Department of Internal Auditing (DIA) provides independent and objective assurance and consulting services to the Georgia Institute of Technology (Institute) in order to add value and improve operations. The Internal Audit Department assists the Institute in accomplishing its strategic objectives and mission by bringing a systematic, disciplined approach in which to evaluate and improve the effectiveness of governance, risk management, compliance and internal control processes.

Role of the Department of Internal Auditing

The Department of Internal Auditing will provide internal audit services for the Institute. The Chief Audit Executive (CAE) shall have a direct reporting relationship to both the President of the Institute, and to the Chief Audit Officer/Associate Vice Chancellor (AVC) of the University System of Georgia (USG) Board of Regents (BOR) as required by BOR [Policy 7.10.2](#). The President may designate additional administrative reporting relationships to facilitate day-to-day DIA operations. The CAE shall report appropriate audit issues, and act under the authority of the President of the Institute and the USG.

Organization and Responsibilities

The Department of Internal Auditing will develop an annual audit plan based on an annual Institute wide risk assessment, which will include audit requirements suggested by the BOR, Federal or State agencies. The President will review this annual plan and approve it before it is submitted to the Associate Vice Chancellor for approval by the BOR Committee on Internal Audit, Risk, and Compliance. At the discretion of the CAE, changes to the Audit Plan may be made throughout the year. Notice of significant changes shall be made to the President and by the Associate Vice Chancellor as needed.

1. The DIA will conduct reviews and evaluations of management practices and procedures at the Institute. Reviews will include, but are not limited to:
 - Evaluations of internal control systems to determine their adequacy for the protection of institutional assets, the production of accurate and reliable information, and the assurance that institutional policies and procedures, State and Federal laws, and contractual policies are followed.
 - Determinations as to whether Institute resources (personnel, property, funds, etc.) are being utilized in an economical and efficient manner, including the underlying causes of any inefficiencies or problematic practices.
 - Determinations as to whether desired results or benefits are being achieved from approved programs.
 - Formulating recommendations to management for improvement in, or correction of practices and procedures.
 - Provide assistance and assessment for the conduct of Enterprise Risk Management and Compliance control activities.
2. The DIA will conduct special studies, reviews, and investigations of procedural or problem areas, issues or processes as requested by appropriate levels of management and approved by the Office of the President..
3. The DIA will review information systems at the unit level, as well as enterprise level processes to ensure that they are adequately defined, properly justified, documented, and include the necessary internal controls.

Georgia Institute of Technology
Atlanta, Georgia 30332-0325 U.S.A.
PHONE 404-894-5051
FAX 404-894-1277

4. The DIA shall issue reports on the result of completed reviews, discuss these reports with appropriate levels of management, and distribute them to the President, as well as other levels of management as deemed appropriate by the CAE. Final reports will be shared with the USG Office of Internal Audit and Compliance.
5. The DIA will conduct follow-up reviews on previously reported recommendations.
6. The DIA will make memorandum reports as required to the USG on issues of malfeasance.
7. The CAE has the responsibility to serve as liaison with Federal (IG and Audit,) State (IG and Audit), and other audit agencies.
8. The CAE shall act as the Institute's ethics officer and administer the ethics reporting system to ensure its availability and compliance with federal sentencing guidelines until such time as the Institute charters a formal compliance and ethics program.
9. The DIA shall operate independently of all Institute operational activities to assure complete objectivity when conducting reviews and evaluations.
10. Georgia Tech Internal Audit specialists shall comply with **The International Standards of Professional Practice for Internal Auditing** as published by the Institute of Internal Auditors (IIA, www.theiia.org), and additional standards as outlined by Information Systems Audit and Control Association (ISACA) and the Association of Certified Fraud Examiners (ACFE) as appropriate.
11. The DIA shall develop a liaison interaction with the functions of compliance, enterprise risk management and legal affairs and other functions as necessary.
12. The DIA shall be responsible for developing and conducting, as necessary, training on fraud and malfeasance avoidance strategies.
13. The DIA will reserve a portion of its time, correlated to need, for advisory services to management.
14. The DIA will be responsible for tracking the status of open findings and facilitating the sharing of these findings with USG Audit office.

Authority

To the extent permitted by law, the Department of Internal Auditing shall have full access to all activities, records, information technology systems, properties, and personnel within the Institute. The DIA is authorized to review and appraise all Institute policies, plans, and procedures. Documents and other materials provided to the DIA will be handled in the same manner as handled by those employees normally accountable for them.

The DIA has no direct responsibility or authority over any of the activities in which it reviews. Therefore, the internal audit review and appraisal process does not does not relieve other persons at the Institute of the responsibilities assigned to them

The CAE shall have the authority to require a written response to audit observations and recommendations contained in audits.

The CAE must meet, at least every quarter, with the President. The CAE is expected to meet as necessary with other members of the Office of the President.

Approval:

<p>Date: 02/12/10</p>  <hr/> <p>G. P. "Bud" Peterson President Georgia Institute of Technology</p>	<p>Date: 2/15/10</p>  <hr/> <p>John M. Fuchko, III Chief Audit Officer and Assoc. Vice Chancellor University System of Georgia</p>
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